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PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997

Funding of regional institutes from the regular budget of the United Nations

Report of the Secretary-General

1. In examining the report of the Secretary-General on the revised estimates resulting from the discontinuation of activities related to apartheid, the Advisory Committee in its report A/49/7/Add.10 commented on the proposal of the Secretary-General to redeploy resources to the United Nations African Institute for the Prevention of Crime and the Treatment of Offenders (UNAFRI) and pointed out the lack of guidelines in the area of subsidising regional institutes from the regular budget. The Advisory Committee went on to invite the Secretary-General to propose criteria to determine if regional institutes should be funded from the regular budget of the United Nations. Subsequently, the General Assembly, in its decision 49/480 of 6 April 1995, decided that future requests for funding for regional institutes shall be considered only on the basis of criteria proposed and approved by the Assembly to determine if such institutes should be funded from the regular budget.

2. There are currently eight regional institutes/centres which are in receipt of resources from the regular budget of the United Nations. These are the Latin American and Caribbean Institute for Economic and Social Planning (ILPES), the Latin American Demographic Centre (CELADE), the Latin American Centre for Economic and Social Documentation (CLADES), the African Institute for Economic Development and Planning (IDEP), UNAFRI, the United Nations Regional Centre for Peace and Disarmament in Africa, the United Nations Regional Centre for Peace, Disarmament and Development in Latin America and the Caribbean and the United Nations Regional Centre for Peace and Disarmament in Asia and the Pacific.

3. The functions of these institutes/centres and the circumstances that led to their receiving funds from the regular budget are outlined in the following paragraphs.

I. LATIN AMERICAN AND CARIBBEAN INSTITUTE FOR ECONOMIC AND SOCIAL PLANNING

4. ILPES was established in 1962 by the Economic Commission for Latin America and the Caribbean (ECLAC) in its resolution 220. Its goal is to support the Governments of the region in the field of public policy planning and coordination. Initially, ILPES was funded by the Inter-American Development Bank and the United Nations Special Fund. From 1967, funding was provided by the United Nations Development Programme (UNDP), the Inter-American Development Bank and voluntary contributions. In 1974, ECLAC, in its resolution 340, recognized that the work done by ILPES had afforded effective assistance to the Government of many Latin American countries; considered that the basic functions of ILPES responded to permanent needs of Latin America in the field of economic and social planning; recalled that the Commission had repeatedly recommended that the United Nations provide ILPES with stable and sufficient resources to carry out its duties; and resolved that ILPES become a permanent institution of the Commission responsible directly to the executive secretary of ECLAC.

5. In 1976, in a report to the General Assembly (A/C.5/31/37), the Secretary-General described the situation facing ILPES as a result of a decision by UNDP to reduce its contribution to the financing of the Institute from $2.2 million in 1976 to $0.8 million in 1977. The Secretary-General, recalling also the resolution of the Commission, stated that given the close relationship between the activities of ECLAC and ILPES, the reduction in the activities of the Institute in the absence of alternative financing would amount to a disruption in the programme which ECLAC carried to support the general economic and social development of the Latin American countries. To avoid such an occurrence, the Secretary-General proposed that as of 1977, 6 Professional (2 P-5 and 4 P-4) and 10 Local Level posts be transferred from voluntary funding to the regular budget of the United Nations. The Advisory Committee, in its report, expressed the view that a decrease in extrabudgetary funding was not in itself a sufficiently valid reason for the assumption of additional responsibilities by the regular budget. At the same time, in view of the efforts that were being made to generate financial support for the Institute, and in the light of a recommendation that had been made by the Administrative Management Service to incorporate the Institute in ECLAC, the Advisory Committee recommended and the General Assembly agreed that temporary assistance be provided. Such temporary assistance was subsequently converted into established posts in the context of the 1978-1979 proposed programme budget.

6. Over the years, these posts have been included in all subsequent budgets with minor changes. Currently, ILPES, which is responsible for the implementation of subprogramme 3 of ECLAC, has one D-1, one P-5, three P-4/P-3 and nine Local Level posts funded from the regular budget. This represents 43 per cent of the resources available to ILPES, the balance coming from voluntary sources.

II. LATIN AMERICAN DEMOGRAPHIC CENTRE

7. CELADE was established in 1957 on the basis of a technical assistance agreement between the United Nations and the Government of Chile, the impetus for which was provided by an Economic and Social Council resolution requesting the Secretary-General to explore the possibilities of cooperation in the programme of regional centres of demographic study and training, on the part of scientific institutions in other regions which have highly developed facilities for work in this field, and on the part of non-governmental organizations and private foundations. Initially, CELADE was a United Nations project funded from extrabudgetary resources. Subsequently, starting in January 1966, the Governing Council of UNDP approved financial support for CELADE. Thereafter, the funding source of CELADE's financing had been the United Nations Population Fund (UNFPA). In its resolution 346 of March 1975, ECLAC requested the Executive Secretary to enter into consultation with the Secretary-General with a view to including in the regular budget a certain number of CELADE's key directional and administrative posts in order to ensure the continuity of its work. Within the context of revised estimates emanating from the Economic and Social Council decisions, the Secretary-General submitted a report to the General Assembly at its thirtieth session requesting that seven posts (one D-2, one D-1, one P-5, one P-3 and three Local Level) previously financed from UNFPA resources be transferred to the regular budget and incorporated in the ECLAC staffing table.

8. Following the request by the Secretary-General for inclusion of these posts under the regular budget, the Advisory Committee, in its report, pointed out that CELADE was initially conceived and had since operated as a centre to be financed outside the regular budget and that it was the prospect of waning financial support from UNFPA that prompted the ECLAC Committee of the Whole to request the Executive Secretary to ensure that a number of posts be transferred to the regular budget. It was also stressed that because of CELADE's existence, the regular budget activities of ECLAC had been carried out only by one Professional staff member. The Advisory Committee therefore suggested that one avenue that the Secretary-General might explore would be to set up a population division to carry out such activities as properly fell under the regular budget. However, since the Economic and Social Council had not made any pronouncement on the report of the Committee of the Whole of ECLAC, the financial implications of ECLAC resolution 346 could not properly be included in the revised estimates resulting from decisions of the Council. Hence, the Advisory Committee was unable to recommend approval. At the same time, the Committee pointed out that beyond the problem of how best to provide for population activities in Latin America, there existed an even broader problem of whether the regular budget of the United Nations should be used to pay for regional centres and institutes every time there was a decrease in voluntary funding or whether the primary responsibility for the continued existence of such centres and institutes rested with Governments in the region. The Committee went on to say that while circumstances may differ from case to case, there was a need for the General Assembly to give guidance on the principle involved.

9. In May 1977, ECLAC adopted resolution 376 whereby it decided that the basic infrastructure of CELADE should be incorporated into the ECLAC secretariat and included in the regular budget proposals for ECLAC as from 1978. This resolution was contained in ECLAC's annual report which the Economic and Social

Council took note of with satisfaction in its decision 247 (LXIII). In the light of the above-mentioned legislative decisions, and confirmation that none of CELADE's infrastructure posts would be extended by UNFPA beyond 1 January 1978, the Secretary-General, in a report to the General Assembly, dated 17 November 1977 proposed the transfer of those posts to the regular establishment of ECLAC. Subsequently, the Advisory Committee, pointing out that discontinuance of those posts would leave population activities in the Latin American region without central direction, recommended the transfer of CELADE's five Professional posts (one D-1 and four P-5) and five Local Level posts to the regular budget of ECLAC effective 1 January 1978. This was approved by the General Assembly. Effectively, CELADE became the implementing body of ECLAC's population programme and its posts funded from the regular budget have been included in all subsequent programme budgets of the United Nations with some minor changes over the years. Currently, CELADE has 11 posts (1 D-1, 3 P-5, 2 P-4/P-3, and 5 Local Level) funded from the regular budget, and 4 posts (P-4/P-3) financed from extrabudgetary resources. For the biennium 1996-1997, it is proposed to redeploy one P-5 post to another programme of ECLAC in exchange for a P-4 post.

III. LATIN AMERICAN CENTRE FOR ECONOMIC AND SOCIAL DOCUMENTATION

10. CLADES came into existence officially as a subordinate body of ECLAC in May 1971 by virtue of ECLAC resolution 303, after acceptance by the Secretary-General of a contribution from the Netherlands Government earmarked for the creation of such a centre. It was stated by ECLAC in its annual report for the period May 1970 to May 1971 that the establishment of CLADES would enable ECLAC "to carry out its mandate to undertake or sponsor the collection, evaluation and dissemination of economic, technological and statistical information, and to make working arrangements with other organs for the fullest exchange of information necessary for the coordination of efforts in the economic field". The Netherlands contribution was to be used to defray part of the construction cost of a building for CLADES as well as operational expenses, including staffing requirements, for the first two years of its existence in 1971 and 1972.

11. In order to provide for the continuation of the staff required to operate CLADES during 1973, general temporary assistance for one P-4, one P-3 and seven Local Level posts was included in the regular budget estimates presented by the Secretary-General to the General Assembly at its twenty-seventh session in 1972, and was approved. The following year the transfer of these posts to ECLAC's regular establishment was requested within the context of the proposed programme budget for the biennium 1974-1975. However, the absence of a firm decision on the construction of a building to house CLADES had raised a question regarding its future, and the General Assembly decided that the posts should be continued under general temporary assistance. The General Assembly, at its twenty-ninth session, endorsed plans for the construction in 1975 of a building in Santiago, which would accommodate, inter alia, CLADES. In the light of this development, a request to regularize the posts of CLADES into the ECLAC establishment as reflected in the proposed programme budget for 1976-1977 was recommended for approval by the Advisory Committee and was subsequently approved by the General Assembly. Since then, these posts have been included in all subsequent budgets

of the United Nations with minor changes over the years. Currently, CLADES operates with the following posts funded from the regular budget: one P-5, one P-3 and eight Local Level. No changes are proposed for 1996-1997.

IV. UNITED NATIONS REGIONAL CENTRE FOR PEACE AND DISARMAMENT IN AFRICA, UNITED NATIONS REGIONAL CENTRE FOR PEACE, DISARMAMENT AND DEVELOPMENT IN LATIN AMERICA AND THE CARIBBEAN and UNITED NATIONS REGIONAL CENTRE FOR PEACE AND DISARMAMENT IN ASIA AND THE PACIFIC

12. The United Nations Regional Centre for Peace and Disarmament in Africa, the United Nations Regional Centre for Peace, Disarmament and Development in Latin America and the Caribbean and the United Nations Regional Centre for Peace and Disarmament in Asia and the Pacific were established respectively in Lomé in 1986, in Lima in 1987 and in Kathmandu in 1988 in accordance with General Assembly resolutions 40/151 G, 41/60 J, and 42/39 D "to provide assistance to such Member States in the regions concerned as may request it with a view to establishing regional and institutional arrangements for the implementation of the World Disarmament Campaign, on the basis of existing resources and of voluntary contributions that Member States may make to that end". The General Assembly, in the same resolutions, invited Member States and interested organizations to make voluntary contributions to the centres.

13. In the Secretary-General's reports in documents A/41/660, A/42/544 and A/43/568, it was emphasized that in view of the financial crisis of the United Nations at that time, it was not possible to realize any savings from the regular budget to be allocated for the financing of the centres. In effect, the centres had to rely on voluntary contributions. A number of Member States and non-governmental organizations provided the resources required by the centres to carry out their mandates. Additionally, the Department of Public Information provided assistance to the centre in Latin America and the Caribbean. The Director of the United Nations Information Centre in Lima was entrusted, on an interim basis, with the additional functions of Director of the Regional Centre on Disarmament. The Disarmament Centre also shared the premises of the Information Centre, and enjoyed the administrative support of the staff of the Department of Public Information. Likewise, the UNDP Resident Representative in Kathmandu was entrusted, on an interim basis, with the responsibilities of the Director of the Disarmament Centre in that region, and the centre was temporarily housed in the UNDP building in Kathmandu.

14. The voluntary contributions on which the centres depended upon primarily for their operations, however, dwindled over the years, and the financial situation of the regional centres became precarious resulting in drastically curtailed activities. Thus, in its resolution 44/117 F of 15 December 1989, the General Assembly, bearing in mind the need to provide the centres with financial stability so as to facilitate the planning of their activities, appealed to Member States and other interested parties to make voluntary contributions to enable the centres to operate effectively. Furthermore, convinced that the appointment of a Director to head each of the three regional centres was essential to ensure the continued effective functioning of the centres, the General Assembly, in the same resolution, requested the Secretary-General to

establish, as soon as practicable, the post of Director at each of the regional centres. This resolution was implemented by the establishment under the regular budget of a post of Director at the senior officer (P-5) level at each of the three centres, phased sequentially and annually over the 1990-1992 period as follows: in 1990 for the centre in Africa, in 1991 for the centre in Latin America and the Caribbean, and in 1992 (initially as a temporary post and subsequently converted to an established post) for the centre in Asia and the Pacific.

15. The financial resources of the centres continued to decline, jeopardizing the implementation of the centres' activities. By resolution 46/37 F of 9 December 1991, the General Assembly decided that to ensure the continued financial viability of the regional centres, their administrative costs would have to be financed from the regular budget. Pursuant to this resolution, the Secretary-General, at the forty-seventh session of the General Assembly, submitted a report (A/C.5/47/62) stating that an appropriation of $300,000, over and above the appropriation of $506,900 already authorized by the General Assembly under the programme budget for 1992-1993 for the three P-5 posts for the Directors of the centres, would be required to cover the administrative costs of the regional centres for 1993. The General Assembly, in resolution 47/219 B of 6 May 1993, approved the commitment authority of $150,000 and requested the Secretary-General to submit, in the context of the proposed programme budget for the biennium 1994-1995, a report on his long-term proposals with respect to these regional centres, particularly as to their financial viability. The resources for the three P-5 posts for the Directors of the centres have been included in the 1994-1995 programme budget and in the proposed programme budget for the biennium 1996-1997.

V. AFRICAN INSTITUTE FOR ECONOMIC DEVELOPMENT AND PLANNING

16. In March 1962, the Economic Commission for Africa (ECA), recognizing the need to train the specialists and senior officials of those institutions in Africa responsible for economic development and planning, established IDEP by resolution 58 (IV). Under its statute, IDEP, which began operations as a United Nations special project and later became a subsidiary organ of ECA, was to be financed mainly by assessed contributions from the Member States of ECA and funding from UNDP. Over the years, UNDP contributed substantially and continuously to IDEP's budget, providing IDEP with the financial means to carry out its mandate. On the other hand, contributions of member States were not easily forthcoming and showed an uneven pattern from year to year. This resulted in shortfalls in income, adversely affecting IDEP's work programme. Although there was some other income (i.e., from donations and special projects), they were earmarked for specific purposes and had little to do with IDEP's regular financing.

17. In its resolution 1985/62, the Economic and Social Council recommended to the General Assembly the incorporation of four core professional posts of IDEP into the United Nations regular budget as a contribution to the long-term financing of IDEP. This, however, did not meet General Assembly approval. IDEP continued to experience increasingly serious difficulties in attaining the expected level of contributions from member States, thus increasing its

dependence on UNDP funding. This was compounded by UNDP's decision in 1988 to end the direct funding of IDEP and instead contribute only to specific projects of IDEP, to take effect as from the end of 1989. UNDP took the view that its direct funding of IDEP as transitional and was to be eventually replaced by member States' contributions and IDEP's own income from its activities. The Governing Council of IDEP, concerned that UNDP's implementation of its decision would seriously threaten IDEP's survival, requested UNDP to continue its core funding of IDEP through the end of 1990. UNDP agreed, but on certain conditions, one of which was that an alternative arrangement be made for core funding of IDEP.

18. In its resolution 1990/72, the Economic and Social Council called upon the General Assembly, as a matter of urgency, to approve the inclusion of four key posts of IDEP in the United Nations regular budget to enable IDEP to carry out its approved work programme and functions on a continued and sustained basis as stipulated in its statute. The Advisory Committee, noting that there were no posts that could be redeployed to IDEP within section 13 (ECA) of the 1990-1991 programme budget should the General Assembly concur with the Economic and Social Council's proposal, recommended that, as an interim measure, a subvention of $392,200 be provided to IDEP within the available resources under section 13 to cover the costs of the four posts. This was approved by the General Assembly. The following year, the General Assembly in section XVII of its resolution 46/185 C accepted the Secretary-General's proposal for a provision of $850,000 as another subvention to IDEP for the continuance of the four key posts. Meanwhile, IDEP had been making efforts to streamline its operations with more emphasis on project execution to reduce administrative costs and increase its income. However, the measures undertaken by IDEP have not yet materialized. In view of the need to enable IDEP, another grant from the regular budget was provided to IDEP for 1994-1995. Likewise, in the proposed programme budget for the biennium 1996-1997, it is being proposed to maintain the grant to IDEP.

VI. UNITED NATIONS AFRICAN INSTITUTE FOR THE PREVENTION OF CRIME AND THE TREATMENT OF OFFENDERS

19. UNAFRI was established in 1987 by ECA on the basis of recommendations made by the Sixth and Seventh United Nations Congresses on the Prevention of Crime and the Treatment of Offenders, with the main objective of assisting States of the African region in formulating policies and programmes for the prevention of crime and the treatment of offenders in the context of overall national development planning by undertaking activities in five major substantive areas, namely: training/human resource development; research; information and documentation; advisory services to Governments; and promotion of collaborative strategies and activities. UNAFRI temporarily had its headquarters in Addis Ababa where some of its initial activities which were financed by UNDP were undertaken. In April 1988, the Conference of Ministers of ECA accepted the offer of the Government of Uganda to host UNAFRI, and approved its statute opening membership to all member States of ECA. Under the terms of the host country agreement, which was signed in June 1989, Uganda would provide premises and the requisite facilities for UNAFRI's operations.

20. As stipulated in its statute, UNAFRI's infrastructural and administrative requirements were to be met from assessed financial contributions from its Member States, while its operational activities were to be financed by UNDP. At the inaugural meeting of its Governing Board, UNAFRI's programme of work and budget for 1989-1993 was approved. The Board also approved a project document for financing from UNDP, which had been and continued to be the main source of funding for the operations of UNAFRI since its inception.

21. By 1991, 26 of the 50 member States of ECA had signed the statute. However, UNAFRI experienced difficulties in collecting the assessed contributions of its member States and was thus placed in a precarious financial position. In a report of the Secretary-General to the General Assembly at its forty-sixth session in October 1991, it was indicated that only three of the 26 members had fully paid their assessed contributions for 1989-1990, and only one had made a partial payment. In its resolution 46/153, the Assembly requested the Secretary-General to ensure that sufficient resources were provided to UNAFRI within the overall appropriations of the programme budget for the biennium 1992-1993 to enable it to carry out all its mandates in full and on time. Consequently, a grant of $180,000 from the United Nations regular budget to UNAFRI was requested and approved under section 23, Economic Commission for Africa, of the 1992-1993 programme budget. The grant was to be used to cover part of the administrative costs, mainly the costs of the posts of Director and Deputy Director of UNAFRI.

22. UNAFRI continued experiencing financial difficulties, and the General Assembly approved a further grant amounting to $208,000 under section 15 (ECA) of the programme budget for the biennium 1994-1995, and at the same time, in its resolution 48/228 of 23 December 1993 requested the Secretary-General to keep the financial situation of UNAFRI under active review and to submit proposals for any necessary additional funding for UNAFRI. Meanwhile, UNDP, considering UNAFRI's continuing financial hardship and recognizing UNAFRI's effective implementation of its 1993 work programme, approved the rephasing of the 1993 unspent balance of its funds to enable UNAFRI to implement its programme of work in 1994.

23. Despite the financial difficulties it faced in fulfilling its mandates, UNAFRI was able to continue implementing its work programme and was commended by the General Assembly in resolution 49/156 of 23 December 1994. In the same resolution, the General Assembly requested the Secretary-General to ensure that UNAFRI was provided with adequate funds, within the overall appropriation of the programme budget and from extrabudgetary resources, and to submit proposals for any necessary additional funding of UNAFRI. In order to enable UNAFRI to meet its administrative expenses for 1995, the Assembly, in its decision 49/480, decided to redeploy the amount of $119,700 from another section of the 1994-1995 programme budget to ECA, as requested by the Secretary-General in his report of 10 December 1994 to the General Assembly (A/C.5/49/44). This amount was over and above the approved grant of $204,800 for the biennium 1994-1995. UNDP also agreed to rephase into 1995 the unspent balance of its 1994 allocation to UNAFRI.

24. Efforts have continued to be made to mobilize financial, technical and political support for UNAFRI, and while some contributions may be forthcoming,

UNAFRI's financial difficulties are far from over. UNAFRI, for its part, is urging its member States to expedite the payment of their assessed contributions, and is strongly encouraging UNDP to continue providing financial support to UNAFRI beyond 1995 pursuant to General Assembly resolution 49/156, Economic and Social Council resolution 1994/21 and ECA Conference of Ministers resolution 806 (XXX).

VII. CONCLUSION

25. A common trend can be discerned with regard to the various institutes/centres described in the foregoing paragraphs. Initially, they were to be funded and operate without recourse to regular budget funding, except for the centres for peace and disarmament, which the Assembly decided to create on the basis of voluntary contributions and existing resources, and CLADES, which started with voluntary contributions, supplemented by regular budget funding. Subsequent to their establishment, these institutes/centres ran into financial difficulties owing to their inability to attract and/or retain voluntary contributions. Eventually, on the initiative and urging of intergovernmental organs, the General Assembly agreed to provide resources from the regular budget primarily for posts.

26. A policy whereby regional institutes/centres should be funded from the regular budget has not been elaborated by the General Assembly. The Secretary-General has not, on his own initiative, proposed the funding, either in whole or in part, of regional institutes/centres from the regular budget. As a rule, activities to be funded from the regular budget should be undertaken by the Secretariat and not be entrusted to institutes and/or centres outside the Secretariat. Such centres/institutes, while performing work in support of the overall objectives of the United Nations, should be created only if there is a viable and adequate source of financing outside the regular budget. With regard to those institutes/centres that are currently receiving funds from the regular budget, such funding should continue in 1996-1997.